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From Times Online

August 24, 2009

Sony boss reveals plans for PlayStation

Nigel Kendall, Technology Editor

4 COMMENTS | RECOMMEND? (14)

The Times was the only UK publication at Gamescom in Cologne last week to speak with Sony Computer Entertainment boss Kazuo "Kaz" Hirai. We met up with him the morning after he had taken the stage to announce the new PlayStation 3 Slim, and half an hour before he was due to fly back to Tokyo.



Kazuo Hirai

Portions of this interview have appeared in other stories from Gamescom (see below left), but we thought he had so many interesting things to say that our chat deserved reproducing in full. So here it is. Our questions are in bold, with his answers beneath.

The obvious question is, why a new PlayStation 3 now? Well, it's closing in on our third anniversary in November in America and Japan, and we felt it was the right time to kind of pass on the benefits of the fact that we've been able to reduce the number of components and their sizes.

And we wanted to pass the cost savings on to our consumers, in the new price point as well. We also felt it was the right time in terms of the great line-up of software titles we have coming out.

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We wanted to make sure we had a great line-up of software, a new form factor and a new pricing point as well.

Is the new machine really an admission that sales of the existing PS3 have been disappointing?

If you look at the growth of the installed base, it is slower than the

PS2 was but it's pretty much on track with the growth that we had with the original PlayStation.

We also always look at our business as being a 10-year lifecycle for all of our platforms. It's kind of difficult to say whether a platform has been successful or not going into our third anniversary. The fifth anniversary and beyond is when we really start to say how's our trajectory looking?

In retrospect, do you wish you had packed less into the PS3? Had we done less, I think we'd have gotten into a situation where, especially with the way technology ramps up, it would have been very difficult for us to embark on a 10-year life cycle with this particular console.

I think that because of all the things we were able to pack into the platform - Blu-ray's a great example - we were able to make sure

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we could take advantage of some of the great services we are offering.

Those things aren't possible if we didn't put that kind of power into the platform.

A marketing person once told me that the most difficult thing to sell is a Swiss Army penknife, because it does everything. Do you think you made the same mistake with the PS3? Right. That was more of a marketing issue than anything else. When I came back to Japan in November 2006, one of the first things I did was to go out with a very clear message that said the PS3 is first and foremost a video game console, before we talk about any of the other great things it can do. I think the PS3 had a bit of an identity problem.

We focused therefore in the first year and a half or so on talking about the great games and also we sent that message to all of our development partners.

I think we've done a pretty good job of doing that, which is why we've got this great raft of software coming into this holiday season. Once we've done that, then we can talk about all the other things that it can do in terms of the non-game video content, whether it's the video delivery service or the catchup TV service or the movie rental service. But none of that makes much sense unless we can say first and foremost it's a great video game console.

It's well known that Sony loses money on every PS3 it sells. Will that still be the case with the new machine? If you're just talking about the hardware alone, the quick answer is yes. That makes good headlines, but I don't actually know that that's the true nature of the business that we're all in, whether it's PlayStation, Xbox or the Wii. I think the better indicator is to look at the business as a whole platform, to ask: are you profitable in terms of the hardware, software and peripherals. And the answer to that question is yes on a gross profit level since the last fiscal year.

Is PS3 the machine to turn Sony around?

It's not just the PlayStation business, but overall. It's some of the other businesses that I'm managing now at the Networked Products and Service Group level, but it's also a combination of the cost reductions that we're now embarking on on a corporate level, including the Bravia business. I think all these things need to come together for us to be seen and perceived as having turned a corner. It's not just one business. It's not just the PlayStation business, it's not just the TV business, it's a combination of all of the things that we're involved in.

Will PlayStation thinking infiltrate the rest of Sony?

This is one of the things that Howard has tasked myself and Kunimasa Suzuki to do at NPSG, where the majority of the sales and visibility, if you will, comes from the PlayStation business. Since I manage both there's obviously going to be a bit of a ruboff from how I run the PlayStation business, and how that's going to impact how Kuni's going to be running the Vaio business, and because of the cross-pollination that I wanted I've asked Kuni to become second in command at SCE. So there's a lot of cross-pollination going on at management level.

I certainly wanted to make sure that the kind of corporate culture, the atmosphere if you will, the kind of information sharing, the openness that I think I've been able to impart on SCE, I want to make sure that that culture extends to NPSG, and by extension if it's a culture that breeds success, then it should naturally extend into other parts of Sony as well.

Nevertheless, as a company that also owns a film studio and a music label, the digital age must present as much conflict as opportunity? How can Sony reconcile its two roles? There's always been that difference of opinion or perspective, and that's bound to happen, because on the one side you're coming from software, from the other side you're coming from hardware.

There is always going to be that, but I think it depends on the management of the organisations to really harness that energy and conflict in the right way or to exacerbate the situation. I'd like to think that because we at SCE are one of the very few companies within the Sony group, probably the only one, that deals in both hardware and software under one roof, we have that conflict built in.

It's part of our culture to manage that conflict and to manage it in a



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right way, so that it becomes a positive rather than something that takes down the organisation. I'd like to think the folks at SCE have a lot of experience and knowledge about striking a balance between the two and hopefully we can impart that across the wider Sony group as well. Sony needs to get to the point where we're not talking about hardware or software, but about a total consumer experience. We don't talk about hardware and software at SCE. We talk about how we can bring the best consumer experience under the PlayStation umbrella. Nobody questions whether we're a hardware company or a software company, and that's the way I think Sony needs to move as well.

What are your own personal criteria for a successful gadget?

Ease of use. One of the standards is how many times I have to look at a manual. I look too for industrial form factor and design. Does it look nice and does it function very well?

Talking of form and design, I see you've ditched the Spider-man typeface from the new PlayStation...

We wanted to make sure that we set a new direction for the PS3. The PS logo with the capital P and small S has always been our logo, has always been synonymous with video games and I wanted to reset the thinking. Also internally I wanted to send the message internally that we are resetting the thinking, going back to our roots. What better way to do it than by resetting the logo? That puts the entire organisation on its toes. On a practical level, when you have PlayStation 3 spelt out, the aspect ratio was such that if you wanted it on a billboard it became tiny. It didn't work in terms of visibility.

In the meantime, Nintendo has done more to popularise video gaming than any other company.

It's a very astute observation, but it doesn't take in history. The most successful console is still the PS2 and it's still going strong. I think that's the console that really broke the barrier from video games being just for video gamers into more of a mass market on a global basis. Nintendo's obviously done a great job in following that mass acceptance.

But there is a new constituency of video game players. How will you make sure they come to the PS3?

First and foremost it needs to be done through compelling video game titles. That is a two-pronged strategy where we always need to make sure that the platform is perceived as a videogames platform. Once you increase the installed base you cannot say, OK we're not going to do any more games for the hardcore gamer. You lose them, you lose the whole foundation. A great example is games like God of War. Those games we will continue to do.

Titles like Singstar and Buzz are great examples of family type games. Number 2, I think that the accessibility of the PS Network and all the different content that we offer and will bring in the future - people who realise that it's a great console to have for all the other things it offers. It's a great entrance into the PS3 for some people and once you've got one, why not try video games as well? I think that's more of a long-term proposition. But since we're on a 10-year lifecycle, it's the sort of thing we'll be looking at in a couple of years.

And what about the "magic wand" motion control system you have shown glimpses of here and at E3? When will we see that in stores?

We are slating it for spring of next year. One of the things is that we just don't want to put out the controller. We need a great software that supports the controller at launch. It's something that we've been working on for the longest time.

Finally, the PSP Go is coming in October, and has no drive for UMD disks. Do you think physical media such as DVDs and even Blu-ray have a limited time left?

No. Perhaps we can sit down three years from now and have a beer, or two or ten, while we wait to download 40 gigabytes of data for a full ps3 game. That's still going to take a lot of time. We're in over 100 countries and there are areas where consumers still don't have access to the type of broadband that we have. The death of physical media is a very nice conclusion, that seems to be nice to say, but it's not something we're going to see soon. We are committed to the PSP 3000 and the UMD business. A lot of people like to speculate that we're getting out of that business, but nothing could be further from the truth. We're not going to deprive consumers in all those other countries.

11/12/2009

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4 Comments (Displaying 1-4)

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Daniel Krug wrote:

I've played games for some 25 years now and I'm glad to see that Sony will continue to support the more mature gaming community and not simply bend to the family oriented money making trend. for the record, I do appreciate casual games and that's indeed a market no-one can turn their backs to, but I'll keep playing God of War like games as long as they keep being made.

October 6, 2009 1:25 PM BST

RECOMMEND? (4)

Romi May wrote:

What the world need is Wii functionality with PS4 graphics.....now wii are talking a beast of a product!

September 16, 2009 10:47 PM BST

RECOMMEND? (4)

Neil Roach wrote:

I own a Wii, A PS3 and a 360. My 360 and Wii gather dust whilst mt PS3 is used every day, if not for gaming then for streaming video content from my home server to my PS3.

September 8, 2009 11:44 AM BST

RECOMMEND? (5)

Liam B wrote:

nintendo were almost finished! the Wii took them back from the brink. it really is a nice bit of kit, personally i have a PS3. i think they are awesome! quite literally the only piece of kit you need on your TV stand.

The Wii is more family orientated. PS3 is da best!

August 25, 2009 12:40 PM BST

RECOMMEND? (13)

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